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Progress towards a settlement in Cyprus

Report of the Secretary-General

I. Introduction

1. The Security Council, in its resolution 2398 (2018), in which it renewed the mandate of the United Nations Peacekeeping Force in Cyprus, requested that the Secretary-General submit a report by 15 June 2018 on progress towards a settlement. The Council also urged the sides and all participants involved to renew their political will and commitment to a settlement under United Nations auspices. The Council further expressed its full support for my good offices to remain available to assist the sides should they jointly decide to re-engage in negotiations with the necessary political will.

2. The present report on my mission of good offices in Cyprus is focused on developments from 12 August 2017 to 21 May 2018. It also provides an update on the activities carried out by the mission under the leadership of my Deputy Special Adviser on Cyprus, Elizabeth Spehar.

II. Status of the process

3. The previous report on my mission of good offices in Cyprus (S/2017/814) contained a review of the course and outcome of settlement negotiations during the period from 15 May 2015 to 11 August 2017. Since then, there has been only minimal official contact between the two sides. Only one informal meeting was held between Mr. Akıncı and Mr. Anastasiades during the reporting period, and there have been no official meetings at the level of negotiators, negotiating teams or expert-level working groups.

4 When I met both leaders bilaterally in New York in September 2017, I reiterated the commitment of the United Nations to Cyprus, including the availability of my good offices for the sides to resume talks as soon as they demonstrated their readiness to re-engage. During the reporting period, I was also in contact with senior-level representatives of the guarantor Powers.

5. To both the leaders in Cyprus and the guarantors, I continually expressed the willingness of the United Nations to support the process if and when they were ready to resume meaningful talks with the requisite political will.

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6. During the reporting period, my Deputy Special Adviser on Cyprus continued to meet the two leaders separately. Mr. Anastasiades repeatedly confirmed his publicly stated position that he was ready to negotiate on the basis of the framework that I had put forward at the reconvened Conference on Cyprus in Crans-Montana, Switzerland, subject to good preparations for a possible reconvening of the Conference, including through shuttle diplomacy. He clarified, however, that no negotiations could be held while "Turkish provocations" continued in the exclusive economic zone of Cyprus.

7. For his part, Mr. Akıncı also confirmed his commitment to the six-point framework that I had introduced in Crans-Montana on 30 June 2017 to resolve the core outstanding issues in a strategic package. He indicated, however, that he would not take part in "open-ended" negotiations; he stood ready to engage in "time-bound, well-structured and results-oriented" talks.

8. With respect to the guarantor Powers, in its public statements since July 2017, Turkey has expressed doubts as to the possibility of reaching a settlement based on the established parameters, given the outcome of the conference in Crans-Montana and past failures. Turkey has nonetheless reiterated its support for a "sustainable settlement" of the Cyprus issue. Greece, for its part, has reiterated its commitment to finding a just and lasting solution to the Cyprus problem on the basis of the relevant Security Council resolutions and the framework that I had set out in Crans-Montana. Lastly, the United Kingdom has emphasized its strong support for a comprehensive settlement and its readiness to do its part to achieve that goal.

9. On 7 January 2018, "parliamentary" elections were held in the north of the island. Subsequently, the Republic of Cyprus held two rounds of presidential elections, on 28 January and 4 February, in which the incumbent, Mr. Anastasiades, secured a second term. There was some hope on both sides that, once the elections concluded, the parties might engage in discussions regarding a possible resumption of talks.

10. Tensions over hydrocarbon activities, however, began to escalate early in 2018. Most significantly, on 9 February, an Italian energy company was prevented by Turkish military ships from gaining access to a planned drilling area in the exclusive economic zone of Cyprus. In mid-March, the company's drillship departed the eastern Mediterranean without having been able to conduct its intended exploratory drilling.

11. On 16 April, the two leaders held an informal meeting in the United Nations Protected Area under the auspices of my Deputy Special Adviser. Both leaders underscored that the meeting did not constitute a resumption of negotiations but did provide an opportunity to ascertain "where they stood" currently on the Cyprus issue.

12. At the end of the informal meeting, the leaders confirmed that they remained at an impasse. It was nonetheless acknowledged that the meeting had been important and necessary after more than nine months without direct contact between the leaders. As noted in a statement issued by the Deputy Special Adviser after the meeting, the leaders had a frank and open exchange of views during a two-hour tête-à-tête discussion.

13. Two weeks after that informal meeting, on 30 April, Mr. Akıncı made a public statement in which he said: "If the Greek Cypriot side is ready to accept the Guterres framework as it was presented without diluting, let's declare it as a strategic package agreement." He added that, through such an announcement, the negotiations would be meaningful, as they would be held with the aim of filling the gaps under the strategic agreement. In response, Mr. Anastasiades issued a written statement on 2 May in which he replied that, if Mr. Akıncı accepted the proposed framework "as it was presented to the sides on 4 July 2017, this is a positive development". He called

upon Mr. Akıncı and "primarily Turkey" to "clarify whether they accept" specific provisions of the framework relating to security and guarantees and foreign troops. Those statements led to a further public exchange between the sides that suggested that the leaders had diverging interpretations of certain aspects of the framework. The consultations that I intend to launch, through a senior United Nations official, in the coming weeks will provide an opportunity for the sides to formally clarify where they stand on the issue.

Other features

14. Since the closing of the Conference on Cyprus, there has been scant effort to prepare citizens for a renewed round of talks. Interest in the Cyprus problem has noticeably waned, as citizens' belief in a possible settlement in the near future seems to have sharply diminished on both sides. Notwithstanding repeated encouragement from the international community, the leaders have not taken new trust-building or confidence-building measures, even though a number of such initiatives could be implemented jointly or unilaterally.

15. At the same time, the two leaders have reiterated on various occasions their interest in continuing the valuable work of the technical committees on intercommunal activities aimed at improving the daily lives of Cypriots. Both leaders have held periodic bilateral discussions with their respective coordinators for the technical committees in order to receive updates on their work. Further attention from the leaders to the work of the committees would be welcome. Since July 2017, there has been no discernible change in the operation of the committees. Those which have historically operated well have continued to do so, while others remain less effective or do not meet at all. This situation has resulted from various factors, including a lack of material and organizational support, as well as limited institutional support for their work. The leaders' recent focus on accelerating the work at two additional crossing points, as announced in 2015 and taken up by the Technical Committee on Crossings, with the intention of opening them in the coming few months has been a positive development.

16. The Security Council has consistently highlighted a general lack of outreach by the sides to their communities and a lack of integration of civil society into the settlement negotiations themselves. There has been a strong perception among both Cypriots and independent observers that negotiations, and the peace process more broadly, have been far removed from the public.

17. Nevertheless, a growing number of civil society actors became increasingly vocal and visible in the public debate, in particular during the crucial latter phases of the most recent round of negotiations. While not great in number, those voices strove to broaden the public debate and engage their respective political leaders. Also of note were various initiatives that attempted to bridge the gap between the negotiations and the public by bringing together particular sectors or actors from both sides for dialogue. Such initiatives include the Religious Track of the Cyprus Peace Process, under the auspices of the Embassy of Sweden; an ongoing political parties dialogue facilitated by the Embassy of Slovakia; and a business community round table comprising Greek Cypriot and Turkish Cypriot private sector representatives convened by the Embassy of Germany.

III. Activities of the good offices mission

18. Over the past months, my Deputy Special Adviser and my good offices mission have met continually with political party leaders, civil society organizations, women's groups, religious leaders, members of the diplomatic community,

representatives of European bodies and other key actors. All interlocutors have expressed concern about the lack of direct and regular contact between the leaders and about the deteriorating mood on the island with regard to the peace process. In both communities, public expectations regarding a possible resumption of talks are noticeably low.

19. My Deputy Special Adviser and my good offices mission have also continued their communication and coordination with partner institutions, including the European Central Bank, the European Commission, the European Bank for Reconstruction and Development, the International Monetary Fund and the World Bank. Although some institutions have reduced or reoriented their presence in Cyprus as a direct consequence of the lack of talks, all partners have nonetheless signalled their willingness to continue to think creatively about preparing for and implementing any potential future settlement.

20. The Office of the Special Adviser has also used the recent period of reflection for self-examination and learning. Under the direction of my Deputy Special Adviser, my good offices mission has completed extensive record-keeping, internal analysis and lessons-learned exercises to reflect on the past three years of negotiations, to analyse the convergences reached to date and to identify potential improvements to the process should the sides jointly decide to restart negotiations.

IV. Observations

21. Ten months after the closing of the reconvened Conference on Cyprus in Crans-Montana, there has been no further progress towards a settlement. The current stalemate has further lowered expectations on the island, despite the unprecedented advances witnessed during the most recent round of talks. As a consequence, trust between the leaders and between their respective communities, and among the parties overall, has suffered.

22. In the most recent round of negotiations, the two leaders had reached a number of critical milestones — and had agreed on many of the key aspects of a settlement — before even arriving in Crans-Montana. The leaders had elaborated a shared vision of Cyprus as a bizonal, bicommunal federation with political equality and effective decision-making, anchored firmly within the European Union, and they had made progress on property and territory issues. At the Conference on Cyprus held in Geneva in January 2017, the parties had underscored the need for mutually acceptable solutions regarding security and guarantees that addressed the concerns of both communities, in line with the overarching principle that the security of one community could not come at the expense of the security of the other.

23. The leaders and their negotiating teams had also paid close attention to the economic aspects of the settlement. A number of independent experts have underscored that the greater opportunities and benefits stemming from a comprehensive settlement would generate faster and more sustainable economic growth in both communities. In the event of a settlement, higher growth rates would translate into higher average incomes, thus improving standards of living and leading to a convergence of incomes between the two communities and with higher-income European Union countries.

24. The underlying logic of a solution within the parameters of the United Nations and building on the existing body of work remains compelling. I am still convinced that a comprehensive settlement would bring substantial benefits and opportunities to both communities, as well as contributing to overall peace and stability in the region. At the strategic and political levels, a settlement would help to repair decades of

division and mistrust, ease tensions that could escalate into conflict, and assist in cultivating neighbourly relations between traditionally adversarial countries in the eastern Mediterranean.

25. As I noted in my previous report, it is my firm belief that, in order for a process of such complexity and political sensitivity to be successful, it is necessary to follow a balanced and comprehensive package approach comprising specific key issues. Should the sides jointly decide to resume talks, the six-point framework that I introduced in Crans-Montana could form the basis for negotiations aimed at reaching a strategic agreement and paving the way for a comprehensive settlement. The framework contained elements relating to territory, political equality, property, equivalent treatment, and security and guarantees. I proposed it in an attempt to help the parties to resolve the remaining core outstanding issues interdependently and overcome the challenge of negotiating across chapters.

26. The year 2018 marks the 10-year anniversary of the formation of the bicommunal technical committees responsible for working on confidence-building measures aimed at improving the everyday lives of Cypriots and facilitating greater interaction among them. I encourage the leaders to redouble their efforts to support the technical committees established under their auspices and to continue their efforts to implement the confidence-building measures that they jointly agreed upon in 2015. In particular, I urge both sides to follow through on the commitment of the leaders to accelerate the work on the crossing points, as agreed upon in 2015, and to open them without further delay. I also encourage the leaders to pursue the implementation of unilateral confidence-building measures that could have a positive impact on the overall atmosphere on the island and could contribute to the restoration of mutual trust, both at the negotiating table and between the communities.

27. One long-standing feature of the Cyprus settlement negotiations has been the confidentiality of the process. That practice was established in order to provide space for the leaders to strike difficult bargains at the negotiating table. At the same time, it has hampered their ability to provide information on progress made and to prepare the two communities for a deal. I therefore urge the leaders to think of mechanisms by which, in possible resumed negotiations, they could preserve the confidentiality of the negotiations while also engaging in public outreach and providing information, through which both sides could prepare their communities in a timely manner.

28. Another issue raised in relation to the negotiations during past rounds has been the question of including civil society and other actors in the settlement process. While the leaders and negotiators communicate with their constituents independently, the settlement process has not historically featured formal channels or initiatives seeking input from or consultation with the public, such as those employed in other peace processes. I believe that if negotiations are resumed, the involvement and contribution of civil society, especially women's groups and young people, would need to be strengthened to ensure that their voices are heard and that they become instrumental in gathering and mobilizing greater support for the peace process in society at large. In this regard, in relation to existing bicommunal dialogues among sectors of society and groups, I urge the leaders to consider supporting those initiatives to help to garner and mobilize public support for and involvement in the peace process.

29. During the most recent round of negotiations, women, including my Deputy Special Adviser and the staff of my good offices mission, were generally well represented in both negotiating teams and contributed substantively to the talks. That inclusivity is commendable, and it should be further strengthened in a possible resumed process. However, the participation of women at the negotiating table is only one aspect of the women and peace and security agenda promoted by the Security

Council and is necessary for inclusive, just and sustainable peace outcomes. The process should also be designed to incorporate contributions from women in civil society, and the substance of the agreement must be gender-sensitive to ensure that the concerns and needs of all members of society, including women, are reflected. Evidence from peace processes from around the globe has confirmed that the meaningful participation of women deepens peacebuilding efforts measurably and leads to more sustainable peace. I encourage the leaders to revitalize the Technical Committee on Gender Equality. In this context, a gender-sensitive socioeconomic impact assessment could be a useful area for future research.

30. With respect to the disputes over hydrocarbons off the coast of Cyprus, I continue to monitor developments closely and with concern. I wish to reiterate that the natural resources found in and around Cyprus should benefit both communities and should provide a strong incentive to find a durable solution to the Cyprus problem. I recall that the Greek Cypriot leader and the Turkish Cypriot leader previously agreed in their negotiations that natural resources in a unified Cyprus would lie within the competence of the future federal Government. With new rounds of exploratory drilling expected before the end of the year, I urge restraint and reiterate my call for a peaceful resolution of differences and for serious efforts to avoid any further escalation and to defuse tensions.

31. After significant hope and expectations were raised during the 2015–2017 phase of the negotiations, the continued absence of dialogue nearly one year after Crans-Montana and the uncertain prospects for the future are a serious cause for concern for many Cypriots and the international community alike.

32. I believe that there is still scope for the sides to act responsibly and decisively in order to chart a common way forward for the island. In the near future, I intend to send a senior United Nations official to conduct in-depth consultations with the parties. Those consultations will provide a more formal, structured and detailed channel for the parties to convey to the United Nations the outcomes of their reflection since Crans-Montana and to help to determine whether conditions have matured at this stage for a meaningful process. I encourage the parties to recognize the importance of the exercise and to seize the opportunity accordingly.

33. The future of the island is the responsibility of all Cypriots, but the leaders bear the primary responsibility for the negotiations. Should they jointly agree to resume talks with the intent of coming to a comprehensive settlement, they will need to demonstrate the strongest political commitment, courage and determination. They will also need to recapture their sense of urgency, address the erosion of trust and deliver strong and unambiguous signals of political will. To be able to conclude a mutually beneficial deal, they will need to engage their communities and explain the benefits of the solution and the importance of compromise on both sides.

34. The guarantor Powers will also, without doubt, need to do their part and engage in the process determinedly and constructively. Furthermore, the Security Council — and, indeed, all friends of Cyprus, in particular the European Union — will need to increase their support for and encouragement of the leaders and all parties concerned. They will need to continue to speak clearly and with one voice about the opportunities and benefits of a comprehensive settlement, but at the same time unequivocally about the risks and costs of maintaining the status quo or backsliding from the gains already made.

35. In closing, I wish to thank my Deputy Special Adviser and the personnel serving in my good offices mission in Cyprus for the dedication and commitment with which they have discharged the responsibilities entrusted to them by the Security Council.